

HOUSE BILL 2754
By Vaughn

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 1, Part 3, relative to notifying employees prior to the termination of benefits.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 1, Part 3, is amended by adding the following as a new subsection:

§ 50-1-308.

(a) An employer may not terminate any employee benefit without providing at least ten (10) days advance notice to the affected employees. Employee benefits include, but are not limited to, health insurance coverage of any type, pension or retirement accounts of any type, life insurance, disability insurance, employee assistance programs, and official policies regarding vacation time, sick time, and compensatory time or overtime.

(b) Termination of a benefit includes termination of the employer's portion of the payment for the benefit regardless of whether the employee has the option, by law or contract, to continue to purchase the benefit by paying the employer's portion of the payment. Termination of a benefit also includes termination of a contribution to an employee retirement or pension plan.

(c) Nothing in this section shall be construed to require an employer to give ten (10) days notice of its intent to terminate an employee, except as otherwise required by law or contract. Regardless of the period of time between notice of termination of an employee and the effective date of the employee's termination, notice of termination of the employee serves as effective notice of the termination of benefits for the purposes of this section.

(d) If an employer gives notice to fifty (50) or more employees within a three (3) month period that an insurance benefit of any type or a retirement or pension plan benefit is being terminated, then notice of the benefit termination must be provided to the commissioner of labor concurrently with the notice provided to the fiftieth (50th) employee.

(e) An employer who fails to give a notice required by this section is subject to a civil penalty of five hundred dollars (\$500) per employee who did not receive the required notice.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.